

Highlands Recreation District Budget 2015-2016

District Overview

The Highlands Recreation District provides programs, activities and events for residents of the Highlands Recreation District and surrounding areas. The District also manages 42 acres of open space. It is the mission of the District to offer balanced and high quality programs that ensure all elements are offered to all age groups throughout the year at a reasonable cost. A 5-member Board of Directors oversees the daily operation and long range planning and objectives of the District.

This mission is achieved through support from property taxes, user fees, volunteers, donations and collaboration with the Highlands Community Association, Highlands Senior Network, CAL Fire, Sheriff's Activities League, Highlands School and Crystal Springs United Methodist Church.

HRD Programs and Services

The District conducts programs that provide individuals of all ages with opportunities to improve their health and fitness, continue life-long learning, enjoy outdoor areas and socialize with other members of the community. Program elements include a variety of full day and part day child care for infants, toddlers and school age children, exercise classes, aquatics programming, senior programming, sporting classes and a multitude of enrichment classes. The Facility also offers a several spaces for rent for social or community events. See Attachment A for further details.

HRD Staffing

The full-time management staff of the District includes the General Manager, School Age Program Director, Aquatics Supervisor, Recreation Supervisor, Recreation Coordinator, Early Education Director and the After School Program Head Teacher. In addition, the District employs 9 full time staff in its child care center and 4 additional full time employees in maintenance, bookkeeping, administration and pool management. The District also employs part time year round and part time, seasonal staff for the child care, pool, maintenance, and administrative needs. See Attachment B for further details.

HRD Structure/ Facility

The Highlands Recreation Center consists of a 3.45 acre site which houses a childcare center, a swimming pool, three tennis courts, a playground and a gymnasium. The original building, completed in 1959 also includes a full kitchen and a social room available for rental after business hours. A further renovation completed in by 1969 added administrative offices and a fitness center to the original building. The Early Education Center (EEC) building was completed in 2011. It consists of three state of the art childcare classrooms, as well as additional administrative offices, storage and a Multi Purpose Room, which is available for community use and rental. See Attachment C for further details

HRD Fiscal Oversight

The District maintains strict and consistent oversight of its funds. Fiscal policies in place limit access to funds and to the District's financial information. The annual budget is prepared by staff and reviewed and approved by the Board of Directors. Fiscal policies are also reviewed annually by the Board. Each month, the Board reviews the District's financial status, including YTD and budget variance amounts. The County provides monthly trial balance data regarding the District's funds maintained by the County's Treasurer. The District also maintains an operating account at

Boston Private Bank. The Districts accounts are reconciled with County reports on a monthly basis. An independent auditor reviews the District's financials annually.

HRD Revenues

The District receives revenues from user fees, property taxes from HRD residents, and donations. Since 2002, an average of 77% of revenue is generated by user fees and 23% from property taxes. Recently, reliance on property tax revenue has been strategically reduced to 16.3% of total revenue. This will minimize the impacts of economic downturns and reduced property values. Property taxes are primarily received in January and May of each fiscal year. The 2015-16 proposed revenue is \$2.76 million, which is 8.7% greater than prior year's budget and 0.2% less than the prior year's actual revenue. While 19% lower property tax revenue is budgeted due to the forecasted elimination of ERAF funds, the slightly higher total budgeted revenue is due to marginal fee increases, particularly those borne by non-residents. The District will continue to manage impacted childcare programs. New classes are presented to 'refresh' the District's program offerings.

HRD Expenditures

The District's annual expenses derive from staffing, maintenance and materials necessary to provide the programs and services described above. Approximately 59% of operating expenses are for compensation and benefits, 33% for operations and 8% for debt service.

HRD Assets, Improvements, Structures, Equipment

Items are designated as Fixed (>\$5000 each) or Small (<\$5000)

Fixed assets are in three categories.

1. **Fixed Assets-Structures and Improvements** - projects that cost over \$5000, have a life of over a year and are considered a permanent structure or improvement to permanent structure.
2. **Fixed asset-Construction in Progress** - projects that have not been completed in the current fiscal year. Once the project is completed, the project costs get transferred to Fixed Asset-Structures and Improvements where the projects begin depreciate.
3. **Fixed Asset-Equipment** - items that cost over \$5000, have a life of over a year and are depreciated.

Small assets are similarly designated, but are expensed in the year incurred.

HRD Reserve Account Policies

The District maintains four assigned Fund Balance Reserve Accounts:

1. Appropriated for Contingencies: This account shall not exceed 15% of the annual operating budget
2. Capital Reserve: This account shall be for large capital improvement projects only.
3. General Reserve:
4. EEC Building Reserve: This account shall hold funds intended for the specific purpose of early repayment of the Certificates of Participation incurred for EEC Building construction.

The District maintains one restricted Fund Balance Reserve Account:

1. BNY COP Reserve: This account shall hold funds exclusively for final interest and principal payments as required by the terms of the Certificates of Participation.

2014-2015 Recap

The District enjoyed another financially sound year of operation. Total revenues increased - \$116,738, (4.4%) over prior fiscal year and attained or exceeded budgeted revenue amounts in every department, including from property tax revenue, except for the pool. Revenues also included an ERAF payment of \$86,494. Expenses increased by 8.7%, due additional staffing costs, but remained well within budgeted amounts in nearly every category. The District budgeted for major capital improvements, did not spend any of those funds (or they were expensed elsewhere). See Attachment D for further P&L details. (numbers in italics are unaudited)

ACTUAL vs BUDGET

REVENUES	2014-2015 Budget	2014-2015 <i>Actual</i>	DIFF	%
User Fees	\$2,180,900	\$2,284,945	\$104,045	105%
Property Taxes	\$343,000	\$452,152	\$109,152	132%
Other (Misc. Rev)	\$2,500	\$14,000	\$11,500	560%
Interest	\$13,500	\$14,450	\$951	107%
Total	\$2,539,900	\$2,765,548	\$158,960	106%

EXPENSES	2014-2015 Budget	2014-2015 <i>Actual</i>	DIFF	%
Compensation & Benefits	\$1,673,403	\$1,558,307	-\$115,096	93%
Operations	\$785,800	\$649,194	-\$136,606	82%
Capital Imp. (Fixed Assets)	\$323,600	0	-\$323,600	0%
Bond Interest	\$171,956	\$171,956	0	100%
Bond Principal	\$55,000	\$55,000	0	100%
Total	\$3,067,359	\$2,510,725	-\$556,634	82%

ACTUAL vs PRIOR YEAR

REVENUES	2013-2014 Actual	2014-2015 Actual	DIFF	%
User Fees	\$2,195,070	\$2,284,945	\$89,875	4.1%
Property Taxes	\$421,280	\$452,152	\$30,872	7.3%
Other	\$20,221	\$14,000	-\$6,221	-30.8%
Interest	\$11,846	\$14,450	\$2,604	22%
Total	\$2,648,810	\$2,765,548	\$116,738	4.4

EXPENSES	2013-2014 Actual	2014-2015 Actual	DIFF	%
Compensation & Benefits	\$1,406,395	\$1,558,307	\$151,912	10.8%
Operations	\$695,082	\$649,194	-\$45,888	-6.6%
Capital Imp. (Fixed Assets)	\$59,728	\$0	-\$59,728	-100.0%
Bond Interest	\$174,156	\$171,956	-\$2,200	-1.3%
Bond Principal	\$55,000	\$55,000	\$0	0.0%
Total	\$2,390,361	\$2,510,725	-\$120,364	5.0%

2014-2015 Highlights/Changes:

This year's goals again focused on capacity management, fine-tuning EEC operations, managing costs, overseeing significant fuel reduction efforts in the District's open space, and beginning the strategic planning process to guide the District's capital improvement plan for the coming 5+ years. The District also completed a high level management transition in the Aquatics department. Two full time positions were added: EEC Coordinator and Recreation Coordinator. These positions have already resulted in significant benefits to the community and to Rec patrons. . The District expanded its community events to address constituent groups heretofore under-represented in District activities. The District continues to implement succession planning at its management level.

2014-2015 Accomplishments:

During this year, the District's major achievements were as follows:

1. Identified preliminary strategic goals for next 5-10 years and updated budget forecast accordingly
2. Continued to develop relationships with community groups to ensure benefits for community constituencies. Specifically, teen and senior programs will be explored.
3. Implemented additional community events
4. Continued to address Tarrytown drainage.
5. Continued to upgrade technology, including operational programs, back up and security.
6. Continued to implement ADA and general facility upgrades
7. Continued to manage capacity constraints in the childcare programs
8. Upgraded lighting on the pathway

9. Painted the gym walls and ceiling
10. Replaced pool covers
11. Upgraded the 'In Crowd' space at CSUMC
12. Installed technology upgrades throughout facility.
13. Implemented a lunchtime activity program for Highlands Elementary School at PTA request.

The following budgeted improvements were not initiated in 2014-2015 due to strategic direction consensus:

1. Replace gym windows for improved aesthetics and install wall panels for better acoustics
2. Design pool office space
3. Install acoustical divider in Multi-Purpose Room

2015 - 2016 Overview

The District's Board will continue to refine its strategic plan to guide the HRD's operations and improvements through the coming decade. The District's capacity limitations are expected to remain unchanged during that period, as school enrollment is predicted to remain high.

2015 - 2016 Goals

Throughout the 2015-2016 year, the District will:

1. Refine strategic goals for next 5-10 years and update long term budget forecasts accordingly
2. Continue to address Tarrytown drainage.
3. Continue to implement ADA upgrades
4. Address outstanding open space issues
5. Review COP balance and pre-payment strategy for eventual refinance in 2020.

HRD Overview of Fiscal Year 2015 - 2016

For fiscal year 2015-2016, the Highlands Recreation District budget plans for revenues of \$2,759,900 and, if all capital projects are completed as planned, total spending projections of \$2,786,684, resulting in a net shortfall of \$26,784. The 2015-2016 budget again anticipates minimal revenue changes from the prior year, as programs and facility usage are at or near capacity. Although property values within the District continue to rise, total property tax revenue is expected to be reduced as the District is advised to not include ERAF funds in this and future budgets. To offset the reduction in expected property tax funds and to address increases in benefits and daily operations, program fees will be increased modestly, particularly in impacted programs. Facility maintenance will continue as needed, but no new capital improvement programs will be undertaken.

	2014-2015 Budget	2015-2016 Budget	DIFF	%
User Fees	\$2,180,900	\$2,377,900	\$75,050	3.6%
Property Taxes	\$343,000	\$365,000	\$(22,000)	-6.0%
Other	\$16,000	\$2,500	\$(3,000)	-15.8%
Total	\$2,539,900	\$2,759,900	\$50,050	2.0%

	2014-2015 Budget	2015-2016 Budget	DIFF	%
Compensation & Benefits	\$1,673,403	\$1,660,616	(\$12,787)	-0.8%
Operations	\$843,400	\$858,412	\$15,012	1.8%
Capital Imp. (Fixed Assets)	\$323,600	\$38,000	(\$285,600)	-88.3%
Bond Interest	\$171,956	\$169,656	(\$2,300)	-1.3%
COP Principal	\$55,000	\$60,000	\$5,000	9.1%
Total	\$3,067,359	\$2,786,684	(\$280,675)	-9.2%

2015 - 2016 Budget Highlights/ Changes

The District will begin the 2015-2016 year with a fund balance of \$2,078,782 (unaudited). This amount will be adjusted upon completion of the FY 2014-2015 audit and the budget will be subsequently amended. The 2015 – 2016 budget is anticipating only a modest increase in park and recreation fees of 3.6%, or \$75,050. This increase is due to slight increases in program fees and new program offerings. The local school district's new calendar has required us to revise our after school care schedule, our summer class offerings and our pool hours. The revenue impact from these changes has been conservatively incorporated into our budget projections. No increase in property tax revenue compared to last year's actuals is anticipated, nor can the District rely on future ERAF refunds, so the actual tax revenue is projected to decrease from the prior year, despite a 6% increase in property values within the District. Total compensation will remain nearly unchanged from last year's budget. This will address wage adjustments, full staffing in EEC and higher benefit costs. Other operating expenses are 2% higher this year due to higher worker's compensation, utility and supply costs. Capital improvements (>\$5000 per item) of \$38,000 are included, and reflect only the most necessary facility upgrades. The third COP principal payment of \$60,000 and two bond interest payments totaling \$169,656 will be made this year.

If ERAF funds are received, the budget may be amended accordingly to execute select additional facility improvements and increase the EEC Reserve account.

2015 - 2016 Planned Facility Maintenance and Improvements

The District expects to complete the following projects. Fixed Asset, equipment and structural improvements (>\$5000 each) are estimated to cost \$36,000. Small asset, equipment and structural improvements (<\$5000 each) are estimated to cost \$17,500.

1. Relocate/ rebuild dome storage shed
2. ASP bathroom facelift
3. ADA upgrades throughout facility
4. Upgrade/ refurbish pool heater
5. Open space repair
6. Equipment upgrades as needed

FINAL - APPROVED 8/11/2015

	2015-2016 FINAL	
	Jul '15-Jun '16	Definitions
Beginning Fund Balance	\$ 2,264,629	unrestricted net position - from Auditor
102100 · Property Taxes	\$ 365,000	prop tax minus ERAF
152100 · Interest Earned	\$ 14,500	bank account interest; EEC CD interest
232100 · Park & Recreation Fees		
232101 · Refunds - Fees	\$ (24,000)	cancellations, deposit returns
232102 · Bounced Checks-Fees	\$ -	fewer checks
232100 · Park & Recreation Fees - Other	\$ 2,401,900	See revenue details
Total 232100 · Park & Recreation Fees	\$ 2,377,900	
265800 · Miscellaneous Revenue	\$ 2,500	CAPRI refunds, stale dated checks
TOTAL REVENUE	\$ 2,759,900	
411100 · Permanent Salaries	\$ 465,643	
416101 · Office Wages	\$ 132,563	Other: all admin, bkkg, SP: new Rec Coord
416102 · Pool Wages	\$ 217,000	hourly staff
416103 · Maintenance Wages	\$ 64,480	Maint Sup + PT help
416104 · Supervision Wages	\$ 7,700	rental supervision, special events
416107 · ASP/Camp Wages	\$ 152,884	hourly staff
416108 · EEC Wages	\$ 373,000	hourly staff
416110 · Vacation Expense	\$ 10,000	
431100 · Social Security	\$ 84,796	6.05% of total wages
431200 · Medicare	\$ 19,786	1.4% of total wages
445100 · Unemployment Insurance	\$ 2,500	safety in case of claims
463100 · District Employee Benefits	\$ 130,264	Medical, dental, IRA, 457, FSA
TOTAL PAYROLL	\$ 1,660,616	
416105 · Program Specialist	\$ 99,000	contractors for non pool classes
416109 · Program Specialist-SwimTeam	\$ 60,000	contractor & asst coach contractor
Total Program Specialists	\$ 159,000	
512100 · Clothing & Uniforms	\$ 10,300	uniforms, jackets
515600 · Household Expense	\$ -	
515601 · Recology	\$ 10,500	garbage and recycling
515602 · Janitorial Supplies	\$ 14,500	Cleansource products
515605 · Cleaning Company	\$ 16,600	2x/week; monthly carpet clean in EEC
515606 · Bins	\$ -	safety, july 4th, big projects
Total 515600 · Household Expense	\$ 41,600	
519300 · Office Expense		
519301 · Outside Printing & Copy Serv	\$ 13,350	brochure, flyers
519303 · General Office Supplies	\$ 9,000	consumable office items
519304 · Advertising/ Recruiting	\$ 3,050	craigslist, marketing swag
519305 · Postage & Mailing Expense	\$ 10,500	brochure mailing, office postage
519307 · Other Office Expense	\$ 15,000	city acctg; Corodata, LAFCO, flywire
519308 · Credit card/ACH fee	\$ 38,000	
519309 · Payroll Processing	\$ 9,000	Paychex
Total 519300 · Office Expense	\$ 97,900	
533100 · Memberships	\$ 5,850	EEC (new), CARPD, etc.
542300 · Maintenance-Equipment	\$ 14,000	safety; copier service, tools, etc.
545900 · Maintenance-Facilities & Imprv	\$ -	
545902 · Plumbing	\$ 2,000	safety amount
545903 · Paint, Solvents & Chemicals	\$ 25,000	pool chemicals
545904 · Pool Supplies	\$ 4,500	safety; safety-related pool items
545905 · Locks & Security System	\$ 2,500	Bay Alarm, keys, etc.

FINAL - APPROVED 8/11/2015

	2015-2016 FINAL	
	Jul '15-Jun '16	Definitions
545906 · Signage Expense	\$ 5,000	signs
545907 · General Electrical Expense	\$ 6,000	safety; elec upgrades
545909 · Other General Maintenance	\$ 18,000	facilities maintenance, inspections
545911 · Landscape/Garden Expense	\$ 5,000	safety amount
545912 · Vehicle Expense	\$ 9,000	repairs, gas
545913 · Ground/Facility Improvements	\$ 72,300	see Asset list
Total 545900 · Maintenance-Facilities & Imprv	\$ 149,300	
563800 · Utility Expense		
563801 · P G & E	\$ 63,300	Pool: all of gas; Elec is split
563802 · Water	\$ 16,800	timing + increase + safety
563803 · Sewer Fees	\$ 23,000	timing + 10% rate increase
Total 563800 · Utility Expense	\$ 103,100	
572200 · Employee Expense Reimb	\$ 1,750	mileage, out of pocket
585600 · Contract Expenses	\$ -	
585601 · Audit Fees	\$ 10,000	CPA
585602 · Bank Admin Fee	\$ 750	BNY fees
585603 · Legal fees	\$ 18,000	Portor
585604 · Consultants	\$ 21,500	recenroll , reserve study; IT repair; phone
Total 585600 · Contract Expenses	\$ 50,250	
596600 · District Operating Expenses		
596601 · Buses-ASP	\$ 12,000	bus rental for field trips
596602 · Spec Act-ASP	\$ 19,500	field trip entry fees
596603 · Snacks-ASP	\$ 9,000	snacks - ASP, IC & camp
596604 · Supplies-ASP	\$ 8,000	supplies - ASP, IC, & Camp
596607 · Misc Exp-POOL	\$ 6,700	LG trips, livescan
596608 · Misc Exp-ASP	\$ 5,000	livescan, medical, See's toys
596610 · Misc Exp-OFFICE	\$ 4,100	election, other
596611 · Misc Exp-OTHER	\$ 7,500	livescan, misc
596612 · Special Events	\$ 9,000	events for community
596613 · Conferences/Seminars	\$ 10,500	professional development/ certification
596614 · Pool Supplies	\$ 3,000	consumables, medical, kcikboards,
596615 · Sport League	\$ 1,500	
596616 · Incrowd Rent	\$ 7,200	CSUMC rental
596617 · Seasonal Programs (KNO)	\$ 1,500	KNO pizza & movies
596621 · EEC supplies	\$ 16,000	consumable supplies
596622 · EEC Snacks	\$ 8,000	snacks (costco receipts)
596623 · EEC Special Activities	\$ 1,200	puppets, petting zoo
596624 · EEC Misc	\$ 2,500	livescan, services
596625 · POOL SNACK SHACK	\$ 1,500	expect more sales
Total 596600 · District Operating Expenses	\$ 133,700	
671200 · Telephone Service Charges	\$ 6,200	AT&T phone and internet
673100 · Insurance	\$ -	
673101 · Worker's Comp	\$ 33,733	per official quote
673102 · CAPRI-GEN INS	\$ 29,229	per official quote
Total 673100 · Insurance	\$ 62,962	
721100 · Fixed Assets-Structures/Impro		
721100 · Fixed Assets-Structures/Impro - O	\$ 20,000	see asset list
721101 · Construction in Progress	\$ -	projects currently underway
721102 * Fixed Assets - Not Capitalized	\$ 5,000	see Asset list
Total 721100 · Fixed Assets-Structures/Impro	\$ 25,000	

FINAL - APPROVED 8/11/2015

	2015-2016 FINAL	
	Jul '15-Jun '16	Definitions
731100 · Fixed Assets-Equipment	\$ -	
731100 · Fixed Assets-Equipment - Other	\$ 18,000	see Asset list
731101 · Equip-Not Capitalized	\$ 17,500	see asset list
Total 731100 · Fixed Assets-Equipment	\$ 35,500	
6331 · Interest Exp-Bond	\$ 169,656	per schedule
6332 · Bond Principal	\$ 60,000	per schedule
TOTAL EXPENSES + FA+ Bond Int	\$ 2,786,684	
NET INCOME (INCL BOND+ INTEREST+FA)	\$ (26,784)	
TOTAL REVENUE	\$ 2,759,900	
TOTAL OPEX (no Assets or Bond Costs)	\$ 2,519,028	
NET INCOME AFTER OPEX	\$ 240,872	
TOTAL OPEX + BOND COSTS (no Assets)	\$ 2,748,684	
COSTS	\$ 11,216	but no fixed assets
TOTAL OPEX + BOND INTEREST + FIXED COSTS + FIXED ASSETS	\$ 2,786,684	
	\$ (26,784)	completed
Starting Total Fund Balance	\$ 2,264,629	
861100 Approp for Contingencies	\$ 300,000	max 15% of OPEX
088300 Capital Reserve	\$ 473,296	
882100 General Reserve	\$ 150,000	
xxxxxx Assigned EEC Building Reserve	\$ 100,000	
Unassigned Fund balance	\$ 1,214,549	
Estimated ending Total Fund balance	\$ 2,237,845	
xxxxxx Restricted COP Reserve	\$ 233,124	

ATTACHMENT A

Programming Detail

In keeping with its mission, the HRD programs and rentals are available at reasonable, competitive rates. These programs provide approximately 85% of the operating revenue. Households within the HRD boundaries pay lower fees to participate in most activities because a portion of their property tax payment is directed towards HRD operations. (\$75 per \$100,000 of assessed home value). Quantities shown are for activity during the past 12 months.

Childcare

Childcare is a significant component of the HRD's activities. With the advent of the Early Education Center, childcare for all ages now generates over 65% of the HRD's total revenues.

Infant/ Toddler Care

There has long been a deficit of licensed, full day Infant/ Toddler childcare in San Mateo County, particularly in the unincorporated County area. The HRD's newly-constructed EEC program was built to address that need for the community. Over half the enrolled students are from Highlands and CSA-1 community.

Early Education Center – year-round, licensed full day infant/ toddler childcare - 42 participants

School Age Care

Highlands Elementary School has experienced significant increases in enrollment for the past several years. The School's families rely heavily on care and extracurricular programs offered at the HRD.

After School Program – school year, licensed after school care for Highlands Elementary School students, 86 participants per day

In Crowd – school year, off-site after school care for Borel Middle School students, 15-20 students per day

Summer Camp – full day weekly camp, 8 1-week sessions, 86 participants per day

Fall Camp - full day camp during school's 2-week fall break, <25-50 participants per day; predominantly Highlands Elementary School students

Winter Camp – full day camp during school's 2-week winter break, <25-50 participants per day; predominantly Highlands Elementary School students

Spring Camp – full day camp during school's 2-week spring break, <40-70 participants per day; predominantly Highlands Elementary School students

Each camp offers an all-day field trip on one day per week

Kids Night Out – monthly Friday evening babysitting during the school year, up to 35 participants, nearly all of whom are Highlands Elementary School students.

Aquatics

The HRD pool has been in operation since 1959. Originally only open during the summer months, a dome was installed in 1998 to provide year-round swimming. The Aquatics program now generates approximately 20% of the HRD's total revenue. Patrons can participate in swim lessons or recreational swim as members or guests. Swim lessons, swim team and recreational swimming have consistently been offered. The HRD is currently the only public pool on the peninsula which includes a diving board. Group lessons (max 4 children per class), private/ semi-private lessons, swim team and adult aqua exercise and lap swim options are available year-round. The pool operating hours and number of classes offered varies by season. To avoid congestion and offer convenience to patrons, swim team occurs during lap swim hours on certain

weekdays and, during summer months, swim lessons are conducted during dedicated lesson hours and during certain lap swim hours.

The pool area is available for rental for ongoing events such as scuba and school physical education classes, as well as for private parties. Ongoing events and non-member pool parties are only available during non-operating hours. Pool parties during regular operating hours are available only to pool members and are limited to 30 guests.

Pool operating hours per week

	Rec swim	Lap swim	Lesson only hours
Non-Summer	18.5	35.5	0
Summer (8 weeks)	30	37.5	17.5

Pool Memberships (by number of persons) (estimated)

264 Resident (47%)
 17 CSA-1 (3%)
 281 Non-resident (50%)

Lessons

Group (2 to 4 students per class, 28 min. classes)
 Private lessons (1 to 2 students per class, 28 min. classes)
 Swim team (average number of swimmers per month)

Pool Rentals

This fiscal year to date (through June 2015), pool rentals generated \$23,458 in revenue.

Seasonal classes

Youth classes are offered to provide age-appropriate training and practice in athletic skills, arts, sports, language, cooking, science and technology. Most activities are weekly after school classes, available to those already on site for after school care and to the general public. Several classes, such as soccer, t-ball, science camp, theater, sailing, ice skating, horseback riding, and rock climbing are offered off site. Class sizes vary greatly depending on age, type of class and location. The portfolio of offerings also varies by season, instructor availability and market trends. Adult classes are offered to similarly provide fitness, safety or hobby training. Most such classes are offered on site on weekday evenings.

Typically, 20-30% of classes offered each season are cancelled due to low enrollment. This is a common metric in the park and recreation industry. The HRD is continually upgrading and refreshing its program offerings.

Typical number of non-pool classes held on and off-site in a 12 month period:

	Youth onsite	Youth offsite	Adult onsite	Adult offsite
Jan- March	17	8	5	7
April – June	13	8	6	2
July- Aug	12	12	5	5
Sept- Dec	18	8	4	6

Special events

Seasonal events are hosted on site for the benefit of the Community. Many have been held for over 50 years. A modest fee is charged at most events to cover staffing and materials. Events garner 50 to 250 participants.

Halloween Event - ~450 attendees

Holiday Event - ~ 125 attendees

Rummage Sale - ~ 150 attendees

Eggstravaganza - ~350 attendees

July 4th - Event hosted by Highlands Community Association at District facility - ~2000+

Cornhole Tournament

Women's Health Seminar

Summer Concert - ~150 attendees

Family Movie Nights (4) ~50-75 attendees

Shredding Event

Rentals (non pool):

The HRD offers a variety of facility rental options to host one time social events or regular gatherings. The social room (capacity 42), gym (capacity 132) and Multi-purpose room (capacity 75) are available for rental. Access to a kitchen is also offered at additional cost.

Ongoing rentals include dance, exercise and enrichment classes. The renters are predominantly (over 75%) Highlands or CSA-1 residents, and most rentals (70%) are for the Multi-purpose room. Facility rentals (one time and ongoing) generated \$48,196 in revenue during this fiscal year.

In addition, the tennis courts are rented by a resident tennis pro for instructional, social or competitive play. Tennis court rental generated \$42,099 in revenue this year due to consistent instructional hours as well as increased interest in USTA team play.

Community Support

The HRD offers its facility at no charge for many community events throughout the year. These include monthly Highlands Community Association meetings, regular Highlands Senior Network meetings and activities, scouting events, art, book and mothers' clubs and other special events. Currently, the HRD offers its facility to a Highlands Boy Scout troop, and resident basketball groups. The HRD has been the fortunate beneficiary of several Eagle Scout service projects which have upgraded the facility at little or no cost to the community. The HRD also coordinates the Community Emergency Response Team (CERT) chapter for the Highlands Community in conjunction with CALFire. The HRD has offered staffing resources to this ongoing effort. The HRD is the local designated shelter area in the event of a natural or manmade disaster. The HRD enjoys excellent and mutually-beneficial relationships with Highlands Elementary School, CALFire, Sheriff's Activity League, the Highlands Community Association, etc. This coming year, the HRD will assist with a community rummage sale as a service to the community.

Throughout its history, the HRD has also assisted with one-time events in the spirit of community support. These have included, for example, a boy scout troop sleepover, fundraisers by CALFire Explorer troop or flea markets.

Employment

The HRD employs year round full time, year round part time and seasonal part time staff. The HRD is also an excellent 'first employer' for the youth of the Community. Many staff members and volunteers are current high school or college students who live within the District boundaries. The available jobs offer responsibility, growth and professional development in a business environment. Wages paid are comparable to those offered similar-sized Recreation Centers.

Other

The Rec also offers many other features at little or no cost. Tennis courts are available to HRD residents. A key is purchased for a modest fee to limit court access for tennis activities only. The Fitness Center is available to all pool members at no additional cost or to Highlands residents for a nominal annual fee. A public playground is available during all daylight hours. The playground was upgraded in 2002 and 2007.

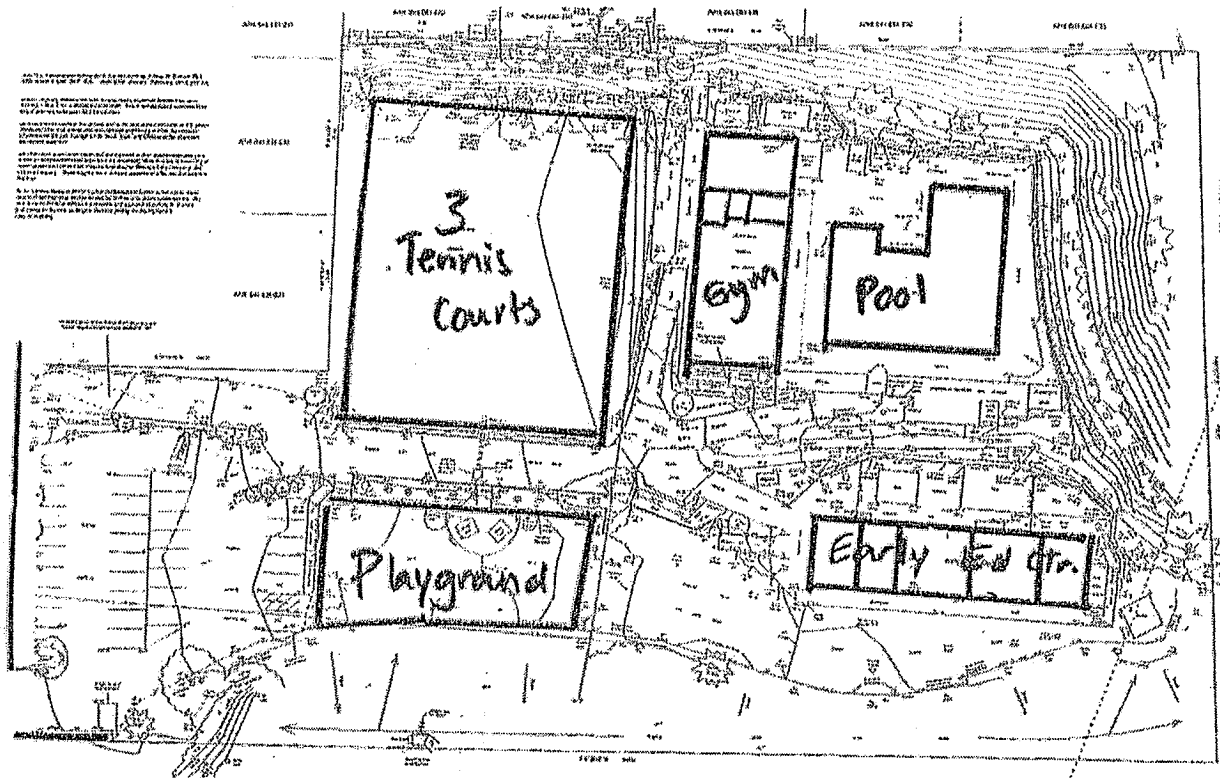
Programs and services offered are highlighted in printed and online brochures published three times a year. These are mailed to our patrons and are available on the Highlands Recreation District website.

ATTACHMENT B

Staffing Detail

	Full Time	Year Round Part Time	Summer Only Part Time
Permanent	6		6 (5.5 FTEs)
After School Program		10 (4.8 FTEs)	
Early Education Center	9		
Aquatics	1	21 (3.8 FTEs)	21 (7.3 FTEs)
Office	3		
Maintenance	1	1 (0.5 FTE)	
Total	19	32 (9.1 FTEs)	27 (12.8 FTEs)

ATTACHMENT C



ATTACHMENT D

2014-2015 Financials (unaudited) – Attached

Approved by Board of Directors August 11, 2015

Highlands Recreation Center

Y&L Budget Comparison (modified accr basis)
July 14 through Jun 15

	Jun 15	Jun 14	YTD 13-14	Jul 14 - Jun 15	APPROVED Budget	100% % of Budget	DIFF Budget - Current YTD	DIFF Curr YTD - Last Yr YTD
Unrestricted beginning Fund Balance					2,009,074.00			
Income								
02100 Property Taxes	38,539.35	36,616.11	421,280.38	453,106.48	343,000.00	132.10%	(110,106.48)	31,826.10
52100 Interest Earned	4,283.29	3,456.58	11,845.51	18,339.74	13,500.00	135.85%	(4,839.74)	6,494.23
87100 State-aid	0.00	0.00	0.00	0.00		0.00%	-	-
32100 Park & Recreation Fees								
ASP	39,612.00	56,786.28	775,152.83	825,742.30	756,500.00	109.15%	(69,242.30)	50,589.47
Pool	53,422.14	53,385.75	467,841.84	457,345.77	496,500.00	92.11%	39,154.23	(10,496.07)
Seasonal Prog	16,432.25	7,525.00	140,799.68	151,893.83	146,500.00	103.68%	(5,393.83)	11,093.95
Fac Rental	5,692.74	6,085.00	64,597.94	84,301.80	64,500.00	130.70%	(19,801.80)	19,703.86
EEC	63,644.00	56,585.00	723,487.50	742,914.90	693,000.00	107.20%	(49,914.90)	19,427.40
Other	65.00	20.00	663.84	735.00	900.00	81.67%	165.00	71.16
Transaction fees	2,094.00	2,280.50	22,526.00	21,946.55	23,000.00	95.42%	1,053.45	(579.45)
Total Park & Rec fees	180,962.13	182,667.53	2,195,069.63	2,284,879.95	2,180,900.00	104.77%	(103,979.95)	89,810.32
4200 State-Dated Checks	822.50	392.90	392.90	822.50	0.00	0.00%	(822.50)	429.60
5800 Miscellaneous Revenue **	3,530.47	29.52	20,221.23	13,673.16	2,500.00	546.93%	(11,173.16)	(6,548.07)
Total Income	228,137.74	223,162.64	2,648,809.65	2,770,821.83	2,539,900.00	109.09%	(230,921.83)	122,012.18
					4,548,974.00			
Expense								
1100 Permanent Salaries	51,731.10	43,650.85	363,083.87	449,822.93	456,920.00	98.45%	7,097.07	86,739.06
6101 Office Wages	15,133.21	11,521.72	87,517.27	134,222.08	143,465.00	93.56%	9,242.92	46,704.81
6102 Pool Wages	31,895.47	33,606.57	199,499.75	212,720.08	211,000.00	100.82%	(1,720.08)	13,220.33
6103 Maintenance Wages	7,006.51	8,041.50	57,956.63	63,910.75	64,160.00	99.61%	249.25	5,954.12
6104 Supervision Wages	581.13	615.00	5,590.52	7,549.50	4,500.00	167.77%	(3,049.50)	1,958.98
6106 EEP Wages	0.00	0.00	0.00	0.00	0.00	0.00%	-	-
6107 ASP/Camp Wages	20,560.59	25,157.39	174,956.61	141,625.54	152,884.00	92.64%	11,258.46	(33,331.07)
6108 EEC Wages	45,474.73	30,890.53	280,725.17	350,190.42	381,718.00	91.74%	31,527.58	69,465.25
6110 Vacation Expense	-869.31	54,646.81	54,646.81	-16,350.14	39,000.00	-41.92%	55,350.14	(70,996.95)
1100 Social Security	10,601.80	9,652.47	70,721.21	83,519.54	84,879.00	98.40%	1,359.46	12,798.33
1200 Medicare Contribution	2,479.45	2,210.77	16,479.61	19,553.08	19,805.00	98.73%	251.92	3,073.47
5100 Unemployment Insurance	0.00	124.00	2,163.00	0.00	5,000.00	0.00%	5,000.00	(2,163.00)
3100 District Employee Benefits	3,730.69	6,795.37	93,054.25	110,652.00	110,072.00	100.53%	(580.00)	17,597.75
PAYROLL EXP SUBTOTAL	188,405.37	226,912.98	1,406,394.70	1,557,415.78	1,673,403.00	93.07%	115,987.22	151,021.08
6105 Program Specialist	15,239.27	11,342.29	102,536.70	95,066.77	108,000.00	88.02%	12,933.23	(7,471.93)
6109 Prog spec-Swimteam	8,306.14	8,762.98	52,450.03	53,548.73	57,000.00	93.95%	3,451.27	1,098.70
2100 Clothing & Uniforms	2,199.31	2,736.66	7,304.12	6,892.70	8,900.00	77.45%	2,007.30	(411.42)
5600 Household Expense	4,814.43	5,123.43	37,463.26	37,382.26	45,500.00	82.16%	8,117.74	(81.00)
9300 Office Expense	15,903.20	12,126.90	82,655.48	93,180.47	102,850.00	90.60%	9,669.53	10,524.99
3100 Memberships	-317.65	-511.41	4,805.00	5,531.76	7,300.00	75.78%	1,768.24	726.76
2300 Maintenance-Equipment	2,815.38	740.40	7,719.87	21,255.07	10,000.00	212.55%	(11,255.07)	13,535.20
5900 Maintenance-Facilities & Improv	13,321.34	16,828.40	65,751.61	91,576.26	107,500.00	85.19%	15,923.74	25,824.65
3800 Utility Expense	9,428.95	11,762.76	65,175.82	92,384.40	91,500.00	100.97%	(884.40)	7,208.58
2200 Employee Expense Reimb	480.19	390.81	1,900.50	1,209.50	2,300.00	52.59%	1,090.50	(691.00)
5600 Contract Expenses	1,152.50	1,165.75	43,896.76	35,931.87	48,550.00	74.01%	12,618.13	(7,964.89)
3600 District Operating Expenses	16,462.89	21,575.72	107,815.98	111,759.36	129,300.00	86.43%	17,540.64	3,943.38
1200 Telephone Service Charges	224.01	730.87	4,994.11	5,741.86	6,000.00	95.70%	258.14	747.75
3100 Insurance	0.00	0.00	53,056.00	46,773.00	57,000.00	82.06%	10,227.00	(6,283.00)
1102 F/A Struct. & Improvmnts not cap.	0.00	2,400.00	2,400.00	11,220.00	0.00	0.00%	(11,220.00)	8,820.00
1101 F/A Equipment not capitalized	636.13	9,571.79	35,155.45	20,005.57	61,700.00	32.42%	41,694.43	(15,149.88)
TOTAL OPERATING EXPENSES	279,071.44	329,328.82	2,101,477.39	2,286,875.36	2,516,803.00		229,927.64	185,397.97
ET INCOME AFTER OPERATING EXP	-50,933.70	-106,166.18	547,332.26	483,946.47	23,097.00		(460,849.47)	(63,385.79)
3100 Bond-Interest Expense	0.00	15,154.66	174,156.26	171,956.28	171,956.00	100.00%	(0.28)	(2,199.98)
3200 Bond-Principal Expense	0.00	55,000.00	55,000.00	55,000.00	55,000.00	100.00%	-	-
1100 Fixed Assets-Structures/Improv	0.00	0.00	13,388.80	0.00	175,000.00	0.00%	175,000.00	(13,388.80)
1101 Construction in Progress	0.00	4,685.54	8,530.79	0.00	30,000.00	0.00%	30,000.00	(8,530.79)
1100 Fixed Assets-Equipment	0.00	0.00	37,808.12	0.00	118,600.00	0.00%	118,600.00	(37,808.12)
TOTAL FIXED ASSETS	0.00	4,685.54	59,727.71	0.00	323,600.00	0.00%	323,600.00	(59,727.71)
FUNDING AFTER OPEX, BOND INT & PRINC PYMT. & F/A	-50,933.70	-181,006.38	258,448.29	258,990.19	-527,459.00		(784,449.19)	(1,458.10)
002 Accrued Bond Interest payable				56,952.08	42,714.06			
003 Accrued Bond Principal				50,000.00				
1100 Approp. for Contingencies					300,000.00			
8300 Capital Reserve					473,296.00			
2100 General Reserve					150,000.00			
EEC Building Reserve					100,000.00			
Assigned Fund balance					458,319.00			
					4,548,974.00			
scrip -contribution \$16.65								
Card rebate \$318.43								
Unrealized loss-Bof NY Mellon-(\$423.91)								
ehman Bros recovery-\$1,120.30								
State of Ca-Brown Act \$2,349.00								
Brochure ads_\$150.00								
RESTRICTED COP RESERVE					233,124.00			

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Highlands Recreation District
Balance Sheet (accrual)
As of June 30, 2015

	6/30/2015	6/30/2014
ASSETS		
Current Assets		
Checking/Savings		
004000 - Petty Cash	100.00	100.00
005000 - Boston Private Bank	258,723.41	144,995.10
006000 - Petty Cash-pool	100.00	100.00
007000 - Bank of New York Mellon	238,329.94	233,123.78
011100 - Cash in Treasury	2,199,872.45	2,078,093.57
Total Checking/Savings	2,697,125.80	2,456,412.45
Accounts Receivable		
Total Accounts Receivable	-	-
Other Current Assets		
027000 - Interest Receivable	3,496.65	2,661.51
040000 - Prepaid Expenses	13,661.07	10,368.29
Total Other Current Assets	17,157.72	13,029.80
Total Current Assets	2,714,283.52	2,469,442.25
Fixed Capital Assets, net of depreciation		
Building	3,562,312.73	3,685,444.25
Improvements	172,675.38	188,665.02
Equipment	87,268.56	112,997.80
Land	19,532.00	19,532.00
Construction in Progress	8,530.79	8,530.79
Total Fixed Assets	3,850,319.46	4,015,169.86
TOTAL ASSETS	6,564,602.98	6,484,612.11
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payables		
064000 - Accounts Payable	49,641.40	52,943.77
Total Accounts Payable	49,641.40	52,943.77
Other Current Liabilities		
065000-Payroll Liab	4,165.53	
065010-Payroll Liab-FSA	849.65	1,124.08
066400-Accr Sales Tax	-	2,218.00
066500 - Other Accrued Expenses	64,457.10	58,626.61
80002 - accr interest pay - bond	56,952.08	57,685.43
80003 - Bond Principal accrual	50,000.00	45,833.32
Total Other Current Liabilities	176,424.36	165,487.44
Total Current Liabilities	226,065.76	218,431.21
Long Term Liabilities		
265900 - COP Bond	2,985,000.00	3,044,166.68
266000 - Compensated absences	38,296.67	54,646.81
Total Long Term Liabilities	3,023,296.67	3,098,813.49
Total Liabilities	3,249,362.43	3,317,244.70
Equity		
081300/081400 - Fund Balance	5,499,733.38	5,189,584.59
Investment in Capital Asset Net of Debt	815,319.46	925,169.86
Amount to be provided	(3,091,952.08)	(3,147,685.43)
Change in net position	92,439.79	200,298.39
Total Equity	3,315,240.55	3,167,367.41
TOTAL LIABILITIES & EQUITY	6,564,602.98	6,484,612.11

8/10/2015